

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 8532-CO09-0825-014

IN THE MATTER OF:

Liberty Mutual Insurance Company
Respondent,

175 Berkeley St.
Boston, MA 02116-5066

NAIC No.: 68982

FILED

SEP 11 2009

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

The Indiana Department of Insurance (“Department”) and Liberty Mutual Insurance Company (“Respondent”), an insurance company holding a Certificate of Authority to do business in Indiana, signed an Agreed Entry which purports to resolve all issues involved in the action by the Department under the above cause number regarding the alleged violation of Indiana Code § 27-2-21-16, and which has been submitted to the Commissioner of Insurance (the “Commissioner”) for approval.

The Commissioner, after reviewing the Agreed Entry, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby fully incorporates by reference the Agreed Entry herein, and approves and adopts in full the Agreed Entry as a resolution of this matter.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the
Commissioner of Insurance:

1. Respondent shall pay the sum of Five Thousand dollars (\$5,000.00) to the Department. The payment is due within thirty (30) days of the date of this Final Order.

ALL OF WHICH IS ORDERED this 11th day of September, 2009.



Carol Cutter, Commissioner
Indiana Department of Insurance

Distribution:

Nikolas P. Mann, Esq.
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

David G. Blachly, Esq.
Taft Stettinius & Hollister, LLP
One Indiana Square, Suite 3500
Indianapolis, IN 46204-2023

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DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is executed by Nikolas P. Mann, Deputy Commissioner – Enforcement Division, Indiana Department of Insurance (“Department”), and Liberty Mutual Insurance Company, an insurance company licensed to do business in Indiana (“Respondent”), to resolve all issues in the captioned matter. This Agreed Entry is subject to and conditioned upon the review and approval of Carol Cutter, Commissioner, Indiana Department of Insurance.

WHEREAS, Respondent is an insurance company with a statutory home office located in the State of Massachusetts and holding a Certificate of Authority to do business in the State of Indiana; and

WHEREAS, via a letter written by Kate Kixmiller, Deputy Commissioner, Property/Casualty Product Lines, on July 17, 2009, the Department asserted that Respondent used consumer credit information in violation of Indiana Code § 27-2-21-16 by not

complying with the requirement to recalculate its policyholders' insurance scores or obtain updated credit reports within the 36-month timeline stated in the statute; and

WHEREAS, Respondent voluntarily provided notice to its affected policyholders of their right to have Respondent re-evaluate their current insurance rates with up-to-date information utilizing the same factors previously used in determining their premium, including credit history; and

WHEREAS, Respondent continues to provide such notice; and

WHEREAS, Respondent denies liability respecting such alleged past violation(s);
and

WHEREAS, Indiana Code § 27-2-21-16 was amended effective July 1, 2009, and the 36-month redraw requirement was eliminated; and

WHEREAS, the Department and Respondent desire to resolve their differences and settle their issues without incurring the time and expense of a hearing;

IT IS, THEREFORE, NOW AGREED by and between the parties as follows:

1. The Commissioner has jurisdiction over the subject matter and Respondent in this administrative action.
2. This Agreed Entry is executed voluntarily by the parties.
3. Respondent voluntarily and freely waives the right to a public hearing in this matter.
4. Respondent voluntarily and freely waives the right to judicial review of this matter.

5. Respondent agrees to pay the sum of Five Thousand Dollars (\$5,000.00) to the Department. The payment is due within thirty (30) days of the filing of the Commissioner's Final Order in this matter.

6. The Department agrees to consider this Agreed Entry as full satisfaction of, and in compromise of, any and all claims related, directly or indirectly, to or arising out of Respondent's alleged past violations of Indiana Code § 27-2-21-16, and for the purpose of resolving all disputes between the parties hereto with respect to the subject matter hereof.

7. Respondent has carefully read and examined this Agreed Entry and fully understands its terms.


8. Respondent understands that failure to comply with any term in this Agreed Entry may result in the matter being set for hearing.

9. Respondent has been represented by counsel David G. Blachly, Taft Stettinius & Hollister, LLP, throughout this matter.

[Signatures follow]

INDIANA DEPARTMENT OF INSURANCE

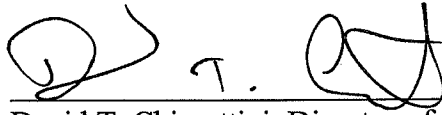
September 9, 2009
Date Signed



Nikolas P. Mann, Esquire,
Deputy Commissioner – Enforcement Division

LIBERTY MUTUAL INSURANCE COMPANY

September 2, 2009
Date Signed



David T. Chiaruttini, Director of State Operations

STATE OF Massachusetts
COUNTY OF Suffolk) SS:

Before me a Notary Public for Suffolk County, State of Massachusetts
personally appeared David T. Chiaruttini, on behalf of Liberty Mutual Insurance Company,
and being first duly sworn by me upon his/her oath, says that the facts alleged in the
foregoing instrument are true.

Signed and sealed this 2nd day of September, 2009.

Jennifer Sanborn
(Signature)

Jennifer Sanborn
Printed

My Commission Expires: 12/10/2015

County of Residence: Middlesex

